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S E C R E T SECTION 01 OF 02 DAMASCUS 000269

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TAGS: EFIN, ECON, ETTC, SY, SANC  
SUBJECT: TREASURY TEAM'S DAMASCUS CONSULTATIONS ON  
FINANCIAL SANCTIONS

REF: A. DAMASCUS 0108  
B. 05 DAMASCUS 6224

Classified By: Charge d'Affaires Michael Corbin, reasons 1.4 b/d

1. (S/NF) Summary: Treasury representatives recently visited Post to discuss options for using financial sanctions to apply pressure to the Syrian regime. We discussed:

-- Treasury's requirements for finalizing the pending designations of Mohammad Sulayman and Ali Mamluk, and Treasury's information requirements for a public statement;

-- Treasury's need to maintain the legal thread between the classified designation packet and the public statement announcing the designation;

-- Post's support for designating Mohammad Nassif Kheirbek, SARG pointman for its relationship with Iran;

-- How designating regime financiers like Rami and Mohammad Mahlouf could be problematic without a new Executive Order on corruption. End Summary.

2. (S/NF) PENDING DESIGNATIONS: Post understands the designations for Mohammad Sulieman, Syrian Special Presidential Advisor for Arms Procurement and Strategic Weapons and Ali Mamluk, Chief of the Syrian General Intelligence Directorate, are pending due to a lack of unclassified material necessary for Treasury's public

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designation statement. In post's estimate, Mohammad Sulayman is a relatively low-payoff target. His activities are not widely known, which will make it difficult to obtain unclassified information for a public statement and,

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likewise, make it unlikely that his designation would resonate inside Syria. Ali Mamluk, on the other hand, is more well-known within Syria, especially for involvement in his objectionable activities regarding Lebanon, and his suppressing Syrian civil society and the internal opposition.

Therefore, Mamluk's designation will likely have a larger impact with local and regional audiences if the public statement announcing his designation also discusses his oppression of Syrian society.

3. (S/NF) We understood from our visit with Treasury representatives that although we are limited to designating regime members under the existing Executive Orders, there is some flexibility in Treasury's public statement announcing the designation. Post has advocated that no matter the legal basis of the designation, any public designation should focus on themes that resonate inside Syria: corruption, suppression of civil society, and denial of basic human rights (ref A). The need to maintain the "legal thread" between the designation packet and the public announcement could be challenging on cases like Mohamad Sulieman whose links to corruption are less clear. In cases like Ali Mamluk, however, the role of the organization he heads in suppressing internal dissent is publicly known in Syria and stating as much in our statement would resonate well here.

4. (S/NF) Post also supports moving forward with the designation packet on Mohammad Nasif Kheirbek, Syrian Deputy Vice-President for Security and lead Syrian liaison to Iran. Keirbek's designation could play to a SARG vulnerability, in this case, the SARG's relationship with Iran, which worries the Sunni majority. Designation of regime pillars involved with the SARG's partnership with Iran could heighten Syrian and regional concerns about the SARG's willingness to accomodate an expansionary Iranian agenda.

5. (S/NF) REGIEME FINANCIERS: We also discussed the possibility of targeting high-profile inner circle members

and regime financiers like Rami Mahklouf (Asad's first cousin) and Mohammad Makhlouf (Rami's father) in the next phase of targeted financial sanctions. Based on our consultation with the Treasury representatives, it seemed apparent that without an Executive Order on corruption it would be difficult to compile enough information to designate this group under the current executive orders. The other option for pursuing this group would be to show how these individuals provided financial support to previously designated individuals such as Asif Shawkat. This course of action could prove highly problematic given the regime's proficiency at obfuscating its financial transactions (ref B).

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6. (S) Comment. Post thanks Treasury for its team's February 25-27 visit and welcomes any additional feedback that Washington agencies may have on our recommendations covered in ref A. Post continues to believe targeted financial sanctions are a tool appropriate for the Syrian setting but this tool requires further work to fully develop.

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=====CABLE ENDS=====